

PART 7

ACQUISITION PLANNING

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SUBPART 7.1 - ACQUISITION PLANS

7.102 Policy.

(b) A Business Case Analysis, in accordance with MM Memorandum dated May 15, 1997, subject: DLA Materiel Management (MM) Initiative Management Policy, shall be accomplished coincident with planning for a Shift to Commercial Practices. The price comparison shall be made on the basis of total estimated costs to the customer, i.e., materiel purchase cost plus the cost recovery markup for logistics support costs charged by DLA, plus an estimate of the customers' own logistics costs (storage, delivery, forecasting, requisitioning or buying, etc.). The analysis, which shall be retained in the resulting contract file, shall demonstrate that the support decision and the resulting purchase decisions will provide added value to our customers (e.g., lower overall costs inclusive of their logistics costs, improved deliveries, and/or enhanced supplier support, etc.).

(90) Market surveys (see FAR 7.101) and market research (see FAR and **DLAD PART 10**) shall be performed consistent with any local operating procedures.

(91) Written acquisition plans are required for all proposed contract actions other than those effected under FAR Part 13. Acquisition plans for proposed contract actions not required to be approved by the Acquisition Planning Executive Council (APEC) (see 7.104-90) shall, at a minimum, be initiated at the time the purchase request is received by the buyer, prepared substantially in accordance with the illustrative format at 90.1102, and approved at a level above the level of the buyer. The approval level shall be established by the chief of the contracting office. The illustrative format may be modified to suit the needs of the contracting office. A standard DLA-wide form is not prescribed in order to permit development of local forms or formats.

(92) Acquisition plans for proposed contract actions required to be approved by the APEC shall be prepared in accordance with FAR 7.105, DFARS 207.105, and 90.1101 of this directive, except as provided in 7.104-90(h) below in regard to DPSC.

(93) The acquisition plan shall accompany the justification for other than full and open competition (see FAR 6.303, FAR 6.304, and 6.101 and 6.304 of this directive) when it is forwarded to the Activity Competition Advocate. The Activity Competition Advocate shall also be provided a copy of the acquisition plan for those acquisitions for which there is not a history of receipt of more than one offer and price competition is not expected to be received on the acquisition.

7.103 Agency-head responsibilities.

(a) Requirements for contract actions which must be awarded by the end of the fiscal year must be submitted to the contracting office by 31 July of that fiscal year. Solicitations for requirements received after 31 July shall not be issued unless approved by the chief of the contracting office.

A contract action log shall be maintained by the contracting office for all purchases of contracted advisory and assistance services, periodicals, pamphlets, and audiovisual products. Existing logs may be used for this purpose, provided some means is devised to readily identify these types of contract actions that are highly vulnerable to waste.

(d) Written acquisition plans required by 7.102(91) may be effected on a system basis (see FAR 7.102) using a comprehensive plan for a specified period of time (i.e., quarterly, semi-annually or annually).

7.104 General procedures.

(b)(90) The Defense Production Act and the Defense Guidance require DoD to maintain an adequate production base to promote national security. In this regard, industrial preparedness planning is conducted to ensure that the industrial base is adequate to offset war reserves and provide combat support in emergencies. When an item is being considered as an item of supply from a new source, an industrial base analysis for the item should be accomplished or updated. This is particularly important when the item will be supplied by a single source, as well as when it is an Industrial Preparedness Planning item either for war reserve shortfall or based upon past production history; a weapon system item coded essentially codes 1 and 5; or an item supporting a Commanders in Chief Critical Item List (CINC CIL) item. For these types of items, adequate capacity is necessary to meet surge and emergency increased demands.

(b)(91) Measures to protect and enhance the production base readiness must be taken any time the procurement support method changes (e.g., such as conversation from individual purchases to prime vendor or corporate contract type arrangements), regardless of the type of concern that will provide the item.

(c)(90) The contracting officer is responsible for taking timely actions to assure that the procurement cycle for forecasted requirements is adequate so it is not necessary to place an award or order on an undefinitized basis.

7.104-90 Acquisition Planning Executive Council (APEC) reviews.

(a) The Executive Director, Procurement Management is the reviewing official for all acquisitions conducted by any contracting office under the cognizance of DLA. Acquisitions requiring review fall into the categories described under 7.104-90 (d), or have a significant impact on Agency workload (e.g., at depots or DLA ICPs). Reviews will be conducted as Acquisition Planning Executive Council (APEC) reviews, requiring either: review of written documents (as described by 7.104-90(c)) only; review of written documents and a briefing; or presentation of a briefing only. For all acquisitions potentially subject to review, DLA contracting offices shall submit advance notification to HQ DLA, ATTN: MMPOA, including:

(1) A brief narrative summary of the circumstances of the acquisition, including the reason for submission, a description of the effort being contracted for, and an identification of the customer(s), item(s)/nomenclature, delivery parameters, and unique/innovative aspects of the acquisition. The notification shall also include the PR number (if applicable), quantity, solicitation and evaluation methods, J&A authority (if applicable), and type of contract, and the estimated dollar value of the contract, for each base year and each option year, if applicable. Additionally, the summary must identify the cognizant program manager and/or contracting officer, including office symbol(s), telephone and fax number(s) and e-mail address(es).

(2) The following information may be provided if available at the time of notification. Alternatively, a statement should be included that explains that the information is or will be included in the acquisition plan, or is not yet available, or is included in another document already provided to Headquarters DLA, such as an MM Initiative document (Business Case), Business Plan, or POM submission.

(i) A statement that the impact on depot workload has been assessed, and that the impacted distribution region(s) have been made aware of this potential impact.

(ii) A statement describing the impact on workload at ICP(s) other than the one managing the program or executing the contract, if applicable, and verification that the affected ICP(s) have been apprised.

(iii) A statement that the impact on DCMC workload has been assessed, and that DCMC has been made aware of this potential impact.

(iv) A statement confirming that readiness, sustainability, and surge requirements (as described by 17.9300) have been included in the proposed acquisition.

(v) A statement confirming that a transition plan (dealing with such issues as depleting residual assets, maintaining quality, perpetuating engineering design changes, etc.) has been developed when migrating from one support method to another, e.g., depot support to direct vendor delivery.

(vi) A statement that the impact on the Military Service component(s) has been assessed, and that the Service has been made aware of this potential impact.

(3) Within five working days after receipt of the summary, MMP will advise the contracting office whether the acquisition is subject to a review of written documents only, a review of written documents accompanied by a briefing, or requires only a briefing to the APEC.

(b) The Executive Director, Procurement Management (MMP) is Chairperson of the APEC, and as such, will designate members of the APEC on a case-by-case basis for each procurement subject to APEC review. APEC membership normally consists of (but is not limited to) the following individuals: Executive Director, Resource Planning and Performance (MMB), Executive Director, Logistics Management (MML), Director, Supply Chain Development & Integration (MMAI), General Counsel (GC), Comptroller (FO), and Deputy Director (Acquisition) (AQ).

(c) For APEC reviews, acquisition plans, reviewed and coordinated by appropriate field functional elements, accompanied by applicable justifications, statements of work, source selection plans and evaluation criteria, and a copy of the proposed solicitation, shall be forwarded by the Chief of the Contracting Office at each DLA contracting activity to the Executive Director, Procurement Management (ATTN: MMPOA) for review and approval by the APEC. The information described at 7.104-90(a)(2) should be provided with the acquisition plan, if not provided previously.

(d) Procurements requiring APEC review include, but are not limited to, actions:

(1) requiring approval by the Senior Procurement Executive (see FAR 6.304, DFARS 206.304(a)(4)(A), and DLAD 6.304(a)(4)(A)(1)(90);

(2) of an innovative or unusual nature, and that have a significant dollar value or having a major impact on industry, or government activities e.g., the initiation of the prime vendor, quick response, and customer value contracting programs;

(3) which have Congressional, OSD, or White House interest;

(e) Contracting offices may request oral presentation of an acquisition plan to expedite processing, in which case the acquisition plan will be forwarded so as to arrive at HQ DLA (MMPOA) 5 (five) working days prior to the scheduled briefing. Upon completion of an oral presentation to the APEC, the briefer will be advised of unconditional approval, conditional approval, or disapproval. Unconditional and conditional approvals are authority to proceed with the acquisition. All decisions will be transmitted by letter to the respective office.

(f) Once an acquisition plan is approved by the APEC, no changes may be made in the planned approach without the prior approval of the APEC.

(g) All DPSC acquisitions subject to APEC review shall be so designated in the DLA Acquisition Planning System (DLA APS). The narrative accompanying plans subject to APEC review and approval shall include the essential information and documentation required by APEC. A summary of each acquisition included in the DLA APS shall be furnished to the Executive Director, Procurement Management, ATTN: MMPOA, after approval by the appropriate officials at DPSC. Acquisitions requiring APEC review shall be clearly identified when a summary is submitted. MMPOA will contact DPSC-P to schedule APEC reviews.

(i) As other ICPs and procurement offices implement the use of the DLA APS (which is an enhancement of the DPSC Acquisition Planning System, and currently is available to all contracting offices), the APEC processes described in this paragraph will also apply to their acquisitions.

(h) The Directorate of Contracting, DASC (DASC-C), is subject to the same APEC procedures as other DLA contracting offices.

7.105 Contents of written acquisition plans. See 90.1101.

SUBPART 7.3 - CONTRACTOR VERSUS GOVERNMENT PERFORMANCE

7.304 Procedures.

(c)(1) Where the Executive Director, Procurement Management is the HCA (see 2.101), Solicitations in which a comparison will be made between contractor and Government performance in accordance with OMB Circular A-76 shall be forwarded to HQ DLA, ATTN: MMPPB for review and approval prior to release (see 1.690-6(b)(3)).

(90) Procedures for SBA requested 8(a) commitments.

When, due to application of the confidentiality requirements of FAR 7.304(d), it is not possible to obtain an in-house cost estimate independent of the Government's sealed in-house offer for use in determining an estimated current fair market price (FMP), the contracting

officer may determine the FMP based on cost or price analysis in accordance with the provisions in FAR 19.805 and 19.806, as appropriate. When agreement is reached with the SBA or its subcontractor on the terms and conditions of the proposed contract, the Government's sealed in-house estimate shall be opened and the cost comparison completed in accordance with FAR 7.306(b). When agreement between SBA or its subcontractor as to the terms and conditions of the proposed contract is not reached and the SBA withdraws its certification, the Government's sealed in-house estimate shall not be opened. A competitive solicitation shall subsequently be issued, either on a set-aside or non-set-aside basis in accordance with FAR 7.306. The 8(a) firm(s) for which the SBA commitment was originally required shall be provided an opportunity to offer on the competitively issued solicitation. The procedures of FAR 7.306(a) or (b), as appropriate, apply to the balance of the cost comparison process.

(91) With respect to requests for information related to commercial activities cost studies, the contracting officer (or other individual authorized in accordance with FAR 14.211(b) or 15.413-1(b)) must consider the guidelines contained in DLAR 5400.14, DLA Freedom of Information Act Program, paragraph VIII.E., and promptly determine if such information should be withheld or released. Requests shall not be required to be submitted under the Freedom of Information Act (FOIA) in order to be considered. If the information is to be withheld, the requestor shall be notified immediately of the decision to withhold the information and of the right to submit a written request for the information under FOIA, if the request was not submitted under FOIA initially. Requests for information may be an indication that the solicitation contains defects or ambiguities, or that the CA solicitation process would be improved by dissemination of the information to all prospective offerors. Therefore, as a part of the disposition of each request, the contracting officer shall consider the need to issue an amendment to the solicitation (see FAR 14.208 or 15.410).

7.306 Evaluation.

(a) Sealed bidding.

(3) The contract file must be forwarded to HQ DLA, ATTN: MMPPB, for review and approval, and the PLFA must be advised by MMPPB that the file is approved before the PLFA commander signs the decision summary form (DLA Form 1764, Cost Comparison Analysis In-House versus Contract Performance, or DLA Form 1764a, Cost Comparison Analysis Expansions, New Requirements, and Conversion to In-House). The contracting officer shall not sign the decision summary form until MMPPB approval of the contract file has been received or until MMPPB comments, that are a condition of approval, have been properly addressed.